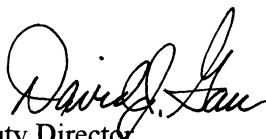


M e m o r a n d u m

To: Mr. Ramon J. Hirsig
Executive Director

Date: October 13, 2004

From: 
David J. Gau, Deputy Director
Property and Special Taxes Department

Subject: **2005 Timberland Production Zone Values**
(November 4, 2004 Administrative Consent Agenda)

Section 434.5 of the Revenue and Taxation Code requires that, by November 30 of each year, the Board certify to county assessors the current values of lands zoned for timberland production. Section 434.5 also specifies that the values, which vary according to defined sites within three regions, be determined based on a specified formula.

On the 2005 lien date, land zoned for timberland production shall be valued per acre according to the following schedule. These 2005 values will be mailed to the county assessors after certification by the Board.

Redwood Region		Whitewood Region		Pine-Mixed Confer Region	
Site I	\$266	Site I	\$189	Site I	\$145
Site II	\$216	Site II	\$139	Site II	\$102
Site III	\$189	Site III	\$117	Site III	\$ 80
Site IV	\$164	Site IV	\$ 87	Site IV	\$ 56
Site V	\$ 52	Site V	\$ 46	Site V	\$ 30

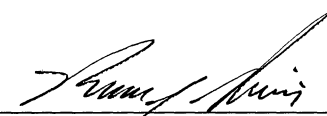
When the assessor, pursuant to Revenue and Taxation Code Section 434, designates a timberland parcel or portion thereof as inoperable, such timberland parcel, or portion thereof, shall be valued as if it is Site V.

The 2005 values have all decreased by \$1 to \$6 per acre due to the decrease in timber values over the past several years. Attached is detailed analysis showing the calculations made to determine these values.

Please place this item on the Board's November 4, 2004 Administrative Consent Calendar for approval.

DJG:ms
Attachment

cc: Ms. Deborah Pellegrini

Approved: 

Ramon J. Hirsig, Executive Director

BOARD APPROVED

at the _____ Board Meeting

Deborah Pellegrini, Chief
Board Proceedings Division

**STATE BOARD OF EQUALIZATION
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES
FOR LIEN DATE 2005**

AVERAGE HARVEST VALUE PER M BOARD FEET BY FISCAL YEAR

<u>Fiscal Year</u>	<u>Volume (M)*</u>	<u>Harvest Value*</u>	<u>Average Per MBF</u>
1998-1999	2,239,822	\$ 774,664,690	\$345.86
1999-2000	2,179,497	\$ 825,642,326	\$378.82
2000-2001	1,848,645	\$ 845,644,868	\$457.44
2001-2002	1,652,280	\$ 502,457,129	\$304.10
2002-2003	1,632,072	\$ 420,989,485	\$257.95
2003-2004	1,816,420	\$ 493,022,147	\$271.43

CALCULATION OF THE CHANGE TO BE APPLIED TO TPZ SITE VALUES
(Revenue and Taxation Code Section 434.5(b))

<u>Fiscal Year</u>	<u>Average Per MBF</u>
1998-1999	\$ 345.86
1999-2000	\$ 378.82
2000-2001	\$ 457.44
2001-2002	\$ 304.10
2002-2003	<u>\$ 257.95</u>
	\$1,744.17 / 5 = \$348.83
1999-2000	\$ 378.82
2000-2001	\$ 457.44
2001-2002	\$ 304.10
2002-2003	\$ 257.95
2003-2004	\$ 271.43
	\$1,669.74 / 5 = \$333.95

$$((\$333.95 - \$348.83) / \$348.83) \times 100 = -4.27\%$$

One-Half Change Applied to Land Value: $-4.27\% / 2 = 2.1\%$ Decrease

*Summary of data provided by taxpayers on Timber Yield Tax returns.

**STATE BOARD OF EQUALIZATION
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES
FOR LIEN DATE 2005**

	<u>Lien Date 2004 Timberland Value</u>	<u>(2.1%) Decrease</u>	<u>Lien Date 2005 Timberland Value</u>
<u>REDWOOD REGION</u>			
Site I	\$272	\$(-) 6	\$266
Site II	\$221	\$(-) 5	\$216
Site III	\$193	\$(-) 4	\$189
Site IV	\$168	\$(-) 4	\$164
Site V	\$ 53	\$(-) 1	\$ 52
<u>WHITEWOOD SUBZONE OF THE REDWOOD REGION</u>			
Site I	\$193	\$(-) 4	\$189
Site II	\$142	\$(-) 3	\$139
Site III	\$119	\$(-) 2	\$117
Site IV	\$ 89	\$(-) 2	\$ 87
Site V	\$ 47	\$(-) 1	\$ 46
<u>PINE-MIXED CONIFER REGION</u>			
Site I	\$148	\$(-) 3	\$145
Site II	\$104	\$(-) 2	\$102
Site III	\$ 82	\$(-) 2	\$ 80
Site IV	\$ 57	\$(-) 1	\$ 56
Site V	\$ 31	\$(-) 1	\$ 30